

MINUTES OF THE BOARD OF EDUCATION MEETING

January 12, 2006
Montana State Capitol
Helena, Montana

The January 12, 2006 meeting of the Montana Board of Education was called to order by Governor Brian Schweitzer.

ROLL CALL

Members present were: Regents Steve Barrett, Mike Foster, Lynn Morrison-Hamilton, Mark Semmens, Lila Taylor, Heather O'Laughlin and Board of Public Education members Dr. Kirk Miller, Diane Fladmo, Cal Gilbert, John Fuller, Patty Myers, Gay Ann Masolo and Jack Jessop. Ex-officio members present were Governor Schweitzer, Superintendent McCulloch and Commissioner Stearns. Regent Mercer was excused.

Governor Schweitzer opened the meeting with comments about Bette Bohlinger who recently passed away due to leukemia.

Governor Schweitzer stated that education is the key to Montana's future and that where we used to make education comparisons with other states, we now need to compare ourselves with China and Japan. In order for Montana and America to lead the world in the next generation we have to light a fire of science and technology for children across the country and Montana. We have to change the classrooms of Montana and energize teachers and parents.

The Governor commented that Regent Mercer had proposed resolutions for consideration at this meeting. The Governor stated he had concerns about the open meeting laws and requested that attorney Viv Hammill, attorney for the Governor's office, provide a legal opinion regarding this issue. Ms. Hammill stated that the resolutions could not be considered or discussed at this meeting because they were not on the agenda. The Montana codes and the Constitution require that significant items be noted on the agenda.

Regent Foster stated that Regent Mercer was unable to be here because he was out of state. Regent Mercer had asked him to make a motion to propose the resolutions, but after discussing it the previous evening determined that it made sense to wait until the next meeting so there will be plenty of notice and time. Regent Semmens clarified that the resolutions had not been endorsed or submitted by the Regents as a group.

Regent Barrett moved to approve the minutes of the July 2005 meeting and Dr. Kirk Miller seconded the motion.

The Governor introduced David Ewer, Director of the Office of Budget and Program Planning. Mr. Ewer distributed copies of the report which was prepared for the special session in December. He asked the Board to consider it as a reference. He stated that the three main things government does is to educate, incarcerate and medicate. He stated that he was charged

by the Governor to live within our means and to challenge expenditures. The priorities for 2009 are to continue to work on K-12 funding. They are proud of the progress they've made. They want to continue to bolster aid to higher education with an emphasis on 2 year colleges and promote, and develop alternative energy sources.

Mr. Ewer stated that the administration's goal was to have a 100 million dollar fund balance. 75% of what Montana spends goes for public safety, welfare and education. They are beginning to build the 2009 biennium budget now and are asking for the agencies' top priorities.

The Governor pointed out that during the years 1992-2000 there was a decrease in K-12 education spending. After several years of decreased spending in education there is a lot of ground to make up.

Mr. Ewer stated that a new funding formula was adopted by the legislature during the special session. The formula is built on a basic entitlement for high school and elementary districts and increased funding tied to ANB as well as several new components. The Legislature also appropriated significant one time money for K-12 education and the retirement systems. The Schweitzer administration has a continued commitment to increase funding for K-12 education despite declining enrollment. Mr. Ewer stated that they have also reversed the downward trend on higher education funding as well.

Governor Schweitzer commented that higher education had similar decreases in funding over the past years but that where K-12 funding started back up in 2000, the trend didn't start back up for higher education until 2005.

Regent Foster questioned whether the goal for a 100 million dollar fund balance would affect the bond rating for the state. Mr. Ewer stated that bond rating services don't hinge very much on the fund balance, but are looking at our commitment to meet our promises.

Governor Schweitzer advised the Board that Colorado had passed a Taxpayers' Bill of Rights (TABOR) initiative which provided that the state could not increase spending faster than income was generated. There is a referendum being circulated for a similar initiative in Montana. If the state passes this type of initiative there will be no way to make up for years of decreased funding. Apparently the Colorado governor is now supporting an amendment to eliminate this initiative because it isn't working.

Governor Schweitzer stated that at the Western Governors Conference the panel of people making the education pipeline presentation represented education at all levels. They stated that we were losing the technology leadership gap. Our high school scoring is now in the mid range falling behind some 3rd world countries. At this conference they all agreed that the best place to put education dollars for the most benefit is in kindergarten.

Jan Lombardi, Education Advisor to the Governor introduced the next item on the agenda -- the Education Pipeline Panel and Discussion. She stated that the purpose of panel discussion is to advise the Board on what's happening with students in Montana. Superintendent McCulloch,

Commissioner Stearns and Board of Public Education Executive Secretary Steve Meloy will be on the panel.

Superintendent Linda McCulloch informed the Board that although student enrollment is declining overall, kindergarten and first grade numbers are up slightly. Declining enrollment is a function of the live birth rate. Both private and home school populations have remained consistent at about 4-5% for private schools and about 2% for home schools over the past several years. Montana's 8th graders scored first in the country in science and second in the world behind Singapore.

Superintendent McCulloch explained the difference between full-day kindergarten which is all day every other day and full-time kindergarten which is all day every day 5 days a week. She agrees that in order to increase graduation rates the best strategy is to fund full-time kindergarten. Montana currently funds kindergarten at ½ ANB. A few schools have established full-time kindergarten and have used different sources for funding. This is the 4th year for Great Falls' full-time kindergarten program. The program has worked very well and they are seeing good results with these students who are now in 3rd grade. In the United States 60% of children attend full-time kindergarten. This has increased from 20% in 1979.

Research has proven the benefits of full-time kindergarten: i.e., greater progress in literacy, fewer grade retentions, reduced behavior problems and has been shown to have no detrimental effect. Poor and minority students especially benefit from full-time kindergarten and it helps to close academic achievement gaps. Full-time kindergarten supports working families and provides a cost savings to school districts by elimination of mid-day bus runs. The proven economic benefits include a higher number of grades completed, higher monthly earnings at age of 27 and a higher percentage of home ownership.

Superintendent McCulloch proposed funding full-time kindergarten in 2005. The bill did not require schools to offer it but if they offered it they would get paid for it. Some schools may not have classrooms or teachers available right away. The bill did not require parents to put their child in full-time kindergarten. The cost is estimated to be \$11 million per year based on 70% of the state's kindergarteners. Full-time kindergarten is not introducing a new program, but expanding and enhancing an existing program.

Superintendent McCulloch advised the Board that the GEAR UP program had received a 6 year \$18 million Federal grant in August. This is the second GEAR UP grant Montana has received. GEAR UP provides early college and career awareness, financial aid awareness, financial aid and scholarships. GEAR UP is administered by OCHE but OPI has a representative. Cal Boyle is OPI's new GEAR UP specialist. American Indians comprise 64% of GEAR UP students. GEAR UP focuses on reducing dropout rates and increasing graduation rates. The GEAR UP program is working to close the American Indian achievement gap.

The Montana Advisory Council for Indian Education (MACIE) was established by the Board of Public Education and the Office of Public Instruction to advise them on Indian education issues. Members are appointed by the tribal councils and education entities. While only 6.2% of

Montana's population is American Indian, 11.3% of the total K-12 population is American Indian students. The only growing population of Montana students is the American Indian Students.

Making adequate yearly progress (AYP) is an essential component of the No Child Left Behind Act (NCLB). All schools have to make progress. Proficiency is not average. Proficient and advanced is the equivalent of A's and B's. Montana schools with high American Indian populations did not make AYP. Funding for closing the achievement gap is essential in Montana. The criterion reference test (CRT) which is required by NCLB provides for four levels in testing, novice, nearing proficiency, proficient and advanced.

OPI has had an American Indian drop out grant for the past three years. The numbers show a significant drop in the American Indian drop out rates in the schools with grants (5.6%). The schools without grants show a slight increase in drop out rates (0.4%).

High school reform is being talked about around the country. The Gates Foundation is very prominent in this area. The concern is that we can't have one solution for every high school in the country. The one size fits all approach with NCLB doesn't work and Superintendent McCulloch doesn't want to see high school reform have the same problems.

Regent Semmens commented that the committee said that what we do at the high school level in letting students know about the accessibility of higher education we now need to do at the middle school level. The committee strongly endorsed increasing awareness of two year education as a viable option.

John Fuller stated that he would like to see the Montana High School initiative address the fact that currently 50.8% of the student population is male and it is projected that the class of 2010 is going to be 60% female. The freshman class currently has something like 52 -56% females while the gender population is much different. This is an issue that needs to be addressed by the high school initiative and P-20.

Superintendent McCulloch stated that the GED program started as a result of veterans who dropped out of school to fight in World War II. GED testing consists of a 7 1/2 hour battery of tests to measure a student's skills. It is designed to meet or exceed the performance of 60% of traditional graduating high school seniors. GED's are generally accepted by higher education institutions. There are 23 testing centers in Montana. Last year 3167 attempted at least one test. A total of 2087 received high school equivalency diplomas. 19% of those receiving diplomas were American Indians.

Superintendent McCulloch stated that the Adult Basic Literacy Education (ABLE) program teaches basic education and skills and provides adults with an opportunity to enhance their skills.

Superintendent McCulloch started the Read Montana Initiative in 2001 when she first took office. They had their first summit in the summer of 2001 and it has grown each year. At the summit they explore all aspects of reading instruction. The program is for all teachers not just reading teachers. Reading test scores on NAEP are now required by NCLB. American Indian

students are starting to close the achievement gap in reading. The results emphasize the role poverty plays in learning.

Reading First is a component of NCLB. There is a new DIBELS test for Reading First. From the fall of 2004 to the spring of 2005 we saw an increase in reading scores in the schools that participate in Reading First.

Steve Meloy continued the Education Pipeline panel discussion. He stated that the Leadership Group works with the Board of Education and specifically the P-20 committee. There is a high percentage of kids who make the decision not to go on to post secondary education at 6th the grade level. In Helena 80% of the children that start kindergarten graduate from high school. That rate is 2% higher than the state average. They have an adult school employee greet every student each day. They are trying to increase the student's relevance for being in school. They want the student to come to the conclusion that he has a reason for being there.

The Board of Public Education recently participated in a four year public relations campaign to get the message across that low achievement equals low grades which equals low paying jobs and a lower tax base in Montana. Individuals with some kind of post secondary education have 62% higher earnings. The message of the campaign is that every person in Montana is the public in the Board of Public Education. Problems begin in the homes and communities. They are promoting a stronger connection between families and schools. Injecting resources in the system hasn't resulted in increases. The strategy is to target resources to problems. He stated that OPI is on the leading edge of putting an integrated student data system together and that the state needs to consider ways to provide long term support.

The Board of Public Education is encouraging a safe learning environment and currently has a proposed rule to address bullying and harassment. Early childhood education is critical. It's not too early to start in terms of interventions. Mentoring and a collaborative e-learning program are starting in Montana. Alternative schools educate approximately 3000 children in Montana. We need to encourage students to become life long learners.

The Education Pipeline discussion continued with Commissioner Stearns.

Commissioner Stearns reported that the P-20 Committee was the bridge between the Board of Regents and the Board of Public Education. Looking at data shows characteristics that may create a way for the boards to create goals to make better lives for individuals and Montana a more prosperous state.

Commissioner Stearns provided a spreadsheet that followed representative 9th graders. Of 100 9th graders 22 were lost before 12th grade. Montana ranks 8th in the nation in this category. Montana is 9th in the category of 9th graders that graduated from high school with 78%. Montana loses 36 of every 100 9th graders between high school graduation and college and another 26 are lost during college. Only 16 out of every 100 9th graders graduate from college. This is a serious issue for Montana.

The Student Assistance Foundation has created a workbook – What Do You Want To Do With Your Life. The workbook helps families fill out federal student loan applications during their senior year. Montana needs to aim to be a top 10 state. Early education is an important factor.

What we are all about in both boards is to promote better personal lives based on educational opportunities and therefore a better economy. These goals are not just to compete with other states and countries but for a better Montana.

A task force has been established for dual enrollment. Montana needs to have more juniors and seniors in high school attending college. Some students start college with a year of credits under their belt.

OCHE has been working on transferability. They have been working with faculty members who teach LPN courses across the state to develop model curriculum that all educational systems would adopt so that if a student transfers the courses would work. One of the initiatives they may bring forward will have to do with transferability and an integrated student data system. It's not just a matter of hardware/software. The issue is getting faculty together to build a joint curriculum. This process is going to take time, effort and additional funds. One advantage is that these faculty groups can work on curriculum materials that include Indian Education.

Dave Gibson, Assistant Commissioner at OCHE is working on the distance learning project and building a Montana gateway to make it more accessible to all families.

The Board of Regents is taking two year educations very seriously. The lowest tuition increase was in the two year programs, making it the most economical access point for students in Montana. A two year degree can get an individual a good job. Working on transferability of credits from two year programs to four year programs will increase the viability of these programs and decrease the cost of a four year education.

Commissioner Stearns encouraged the Board and the Governor to focus collectively on something that is measureable and moves Montana up, such as a program that would match Pell Grants with state dollars. That program would cost \$45 million for Montana.

Gay Ann Masolo asked Commissioner Stearns if they had any data on students entering post secondary education institutions later on.

Commissioner Stearns said that more data about this may be available. Their goal is for kids to all have a letter of acceptance before they leave high school.

Regent O'Laughlin voiced her concern that focusing on not increasing tuition at the 2 year institutions would put an increase in tuition on the back of 4 year students.

Commissioner Stearns stated that tuition had raised 3% at two year institutions and 10-12% at four year colleges. Part of the issue is supply and demand, with a huge demand for four year programs.

Jan Lombardi stated that she felt Ms Masolo was referring to non-traditional students and asked if there was a profile for the students in our Montana university system, i.e. the typical age.

Commissioner Stearns replied that there is a profile by campus. The average age of students is going up and the number of women getting two and four year degrees has long since exceeded that of men.

Dr. Miller commented that the goals were worthy and the presentations excellent. He felt that we have to address the kids that are better than their numbers, but don't have a good support system at home - how do we get them into college?

Regent Foster complemented Commissioner Stearns and her staff in putting together the numbers to show where Montana ranks nationally. The statistics show where the problem is, now we have to establish goals to address those problems. Then we will need to get into priorities and what the cost is.

John Fuller commented that in other states that have provided ACT and SAT exams, the college entrance numbers jumped.

David Ewer proposed that a data system incorporate:

Common uniform numbering of courses

Course availability

Finite degree pathway (101 economics needed regardless of two or four year program)

Course standardization

Enrollment prerequisites

Whether the course is available through distance learning

He felt that the sooner we agree on core attributes the sooner we can start planning for aggressive implementation in a cost effective manner.

Jack Jessop commented that school counselors need to communicate with students in junior high and high school about career opportunities. He felt that counselors have less time to talk to students about what they're going to be doing after school. Counselors need to get kids on track during junior high and high school so they have the courses to get into college.

Governor Schweitzer commented that there were a lot of goals discussed. He felt that closing the Indian achievement gap is critical. In achieving almost all goals the fastest return is to target Indian students. He advocated starting young so students know that post secondary education will mean more money to support a family. Too many bright young people leave Montana to get a livable wage. We need to invest in this group of children to get a greater number of advanced degrees in Montana which will move up the wage level in Montana. To achieve these goals we're back to socioeconomics not only in Indian country but across Montana. The school district with the second greatest number of Indian students in Montana is Great Falls. Closing the Indian achievement gap is not just a reservation school issue. We're at a cross roads where so many people recognize the importance in investing in education, but a lot of people in Montana don't

want to invest in education. Montana can't achieve economic development until we can generate the kinds of graduates from Montana schools that are needed and have them stay in Montana. To accomplish these goals we need to be prepared to invest in early years of education.

The next agenda item was the homework assignments given to the Board by the Governor at the July meeting.

Superintendent McCulloch reported on the drop out rates. The new data system will make it possible to track students to more accurately determine the completion rate (new NCLB terminology for graduation rate). Currently Montana's graduation rate is one of the top in the country. Increasing graduation rates is very important, but not easy. Strategies to accomplish this are going to cost us -- like full-time kindergarten. In 2003-04 Montana had a 82.9% graduation rate. The 2004-05 graduation rates have not been calculated yet, but early figures indicate that we will have an increase. The graduation rate for white students is 85% and for American Indian students its 59%. The American Indian graduation rate is one we need to work on.

Some of the strategies Superintendent McCulloch recommends are: full-time kindergarten, continuing the Head Start program, lower class sizes, increase reading proficiency (not being able to read at grade level is a factor in dropping out of school), professional development focusing on at-risk students, closing the achievement gap, after school programs, more family and community participation, increase access to educational technology, accurate reporting, strong collaboration between K-12 and higher education, Indian Ed for All, and recruiting and retaining high quality teachers in Montana.

Superintendent McCulloch reported that in connection with Indian Education for All, OPI now has a full component of staff for the Indian Education Division. They are high quality people. Grants are being given to schools to develop materials that we can share with all schools. OPI has distributed about \$400,000 to 18 school districts with a second round of grants going out this summer.

Indian Education curriculum materials will go on the OPI website so schools can download the materials free of cost. OPI has been convening groups of science and social studies teachers to work on curriculum materials at OPI. They are looking for examples using things from Indian cultures integrated into all courses. OPI has brought in experts in Indian cultures to work on this project.

OPI has contracted with the National Indian School Boards Association in partnership with MTSBA to develop additional materials that will focus on Montana tribes. Montana tribes' histories are being updated by the Tribal Colleges. They have contracted with Fish, Wildlife and Parks to bring in students to include Indian Education for All in their curriculum work. In 2003 students raised pennies to start Indian Education for All efforts with hands on materials that can go to schools in Montana.

At the 2005 MEA-MFT conference, approximately 100 workshops dealt with Indian Education for All issues. Teachers need to know how to teach a child from a culture different from their

own. They are working on regional models that already exist and collaborating with other states to extend the professional development programs. There will be four institutes or conferences put on this summer in collaboration with Indian Education For All. With only five months into this biennium Indian Education for All is on track and schools are getting the materials.

Regent Barrett asked if there is going to be an accessibility or accountability component to see that the job is getting done. Superintendent McCulloch replied that now that the Indian Education program is at full staff accountability is one of the issues they will be dealing with. They will be surveying the districts to determine how the money they received for Indian Education for All was used.

Regent Semmens discussed closing the tuition and salary gap. To close the gap Montana needs to lower tuition and raise wages. Higher education funds come from resident tuition, non-resident tuition, private sources and state support. Increases need to come from private sources and state support in order to keep tuition costs down. On the spending side they carefully assess where they're at on spending and where Montana is at relative to other institutions. Similar university systems are spending more. WICHE tracked data in the western states and found that like institutions are spending 40-50% more. Montana's campuses are doing a good job on holding spending down but can do more.

In terms of the current budgeting process there is a high sensitivity at the regent and campus levels to direct budget discussions to affordability. Affordability is affecting recruitment and retention. They are focused on initiatives for transferability of credits and improved efficiency and coordination in information sharing.

The Regents are also undergoing an analysis of how to allocate funds between the campuses. The process is going to emphasize differential tuition, i.e. two year institutions will cost less to make sure it's an affordable place of entry for students to higher education.

Regent Semmens reported that most of the new buildings on the campuses result from private fund raising efforts. He thanked the Governor for his support of HB 540 which provided new buildings on the campuses. Infrastructure growth has been funded by the generosity of supporters. They are working to increase endowments. New programs are looking for corporate partnerships. The business sector does see the importance of having a skilled workforce and are stepping up to the table with their support.

In terms of state support Montana needs to work on a long term solution for correcting the decrease in funding. For the previous 12 years state support was flat. During that time enrollment went up with the result that funding per student went down. Other states have not stood still. Peer states around Montana are funding higher education at levels 35-40% higher than Montana. This is a problem inherited by the current administration which needs to be addressed. The impact on affordability is undeniable. Our kids pay \$700 more than peer states. Need based student aid in Montana is \$ 70 per student while it's \$240 per student in peer states. To be competitive Montana is going to have to address the issue.

The Board of Regents is working on distance education so that everyone has a chance to get the skills they need to move forward no matter where they live. The number of graduates from MSU that stay in Montana is climbing. We need to continue to strengthen Montana's economy and income opportunities.

Regent Hamilton reported on credit transferability. The Board of Regents has adopted five policies governing the transfer of credits within the Montana University System. At the May, 2005 meeting the Board approved a standard curriculum, credential and credit total for the LPN programs in the state. In September they approved an assessment model for the transfer policies and for the LPN curriculum. The Board has also approved a common appeal process for transfer decisions. A new transfer website has been developed by OCHE which has received positive feedback. The two remaining hurdles are getting critical information for the website from the campuses and the campuses need to establish a prominent link to the transfer website.

They have created a General Education Council to review the general education core and develop guidelines for the campuses to identify courses that satisfy core requirements.

In November 2005 the Regents adopted transfer goals for the Montana University System. The Chief Academic Officers from the campuses are working on the project and will bring suggestions to the March 2006 board meeting.

The Board is preparing a budget initiative of approximately \$1.5 million for the 2007 session to support and enhance the transfer initiative. The biggest barrier for transfer students is the acceptance of coursework from other institutions in the system. To address this barrier the Board has looked at a common course numbering system, the 'articulation model' the system has used for transfer, a course equivalency transfer module, and using faculty councils to identify common course content and outcomes. This is the model used to develop the common LPN program.

The board is working to better inform students and families so that the student can make an informed decision resulting in a better match between students and schools or programs. This will result in less students entering the transfer arena. Easier transition from high school to college and from two year to four year programs will result in savings for the student and the state by shortening the length of time for the student to obtain a degree.

Governor Schweitzer commented that we have more work to do to close the wage/tuition gap. We need to continue to work on the high school drop out rate and closing the Indian achievement gap. If Montana is going to improve its rank with the neighboring states we have to improve Indian achievement gap.

Reno Charette, Coordinator of the Office of Indian Affairs shared a handout detailing the Governor's American Indian Nation (GAIN) Council. This council includes representatives from all of Montana's Indian tribes as well as representatives from the Governor's office and state agencies. They have been charged by the legislature to work with the tribes on a government to government basis. This mantra has guided the activities of GAIN. The GAIN website has a report submitted to the legislature in response to HB 608. This report details activities with the

tribes and activities that affect tribal people. Using this data base they are developing reports to guide decision making. All state departments have people trained to enter information into this data base. The data base includes financial information and the current status of on-going projects. The GAIN council meets every Wednesday and its agendas are posted on the website. The GAIN council offers to assist agencies in effectively working with the Tribes. Ms. Charette encouraged use of the GAIN council as a tool in approaching, designing and assessing Indian Education for All in Montana.

Mark Bruno from OBPP handed out materials on the timeline and development of a unified budget. He stated the budget office is willing to work with the budget committee to get a unified budget going.

The report from the P-20 committee was dispensed with as much of its work has been presented throughout the meeting.

Governor Schweitzer requested that Jan Lombardi look into the Ad hoc committee system and report back to the Board in July.

Governor Schweitzer opened the meeting up for public comment.

Patty Myers commented that Mary Moe had reminded her that an important constituent of the Board of Public Education that had not been mentioned was the Montana School for Deaf and Blind students. She emphasized the importance of early identification of children with a hearing impairment before they leave the hospital. She encouraged the Board to not lose sight of that constituency group.

Jan Lombardi reported that she had talked to Steve Gettel and there was a meeting scheduled in February to talk about MSDB issues.

Joyce Silverthorne, former Board of Public Education member and a substitute member on MACIE stated her thanks about the remarkable change toward Indian Education and was pleased to see productive information shared. She encouraged continued use of MACIE as they have been working on Indian Education a long time. She encouraged work on the transfer issue especially related to the tribal colleges. She feels this is a critical issue. Ms. Silverthorne also encouraged recruiting and retaining Indian teachers. She reported that Salish Kootenai College has over 50 teachers in training.

Carol Juneau, chair of MIEA and a member of MACIE thanked the Board of Regents for approving the provisional component on the writing assessment. She also thanked the Governor, OPI and the Commissioner for supporting funding for Indian Education for All. She stated that the country would be watching Montana and what we're doing with Indian Education for All. Providing new learning opportunities for Indian students in Montana so they can achieve at an equity level with other students will help them succeed and all of Montana will win. She encouraged providing GED programs in public schools to reach kids before they drop out. Ms. Juneau stated that MACIE could provide guidance to the board on implementing Indian Education for All. She encouraged the Board of Regents to budget money to implement Indian

Education for All at the college level and encouraged continued support and funding for Indian Education for All at the K-12 level.

There was no further public comment.

Diane Fladmo moved to adjourn the meeting, Lynn Hamilton seconded and the motion carried.

Respectfully submitted,

/s/ Linda McCulloch

Linda McCulloch, Superintendent of Public Instruction
Secretary to the Board of Education